

Smart Meter Model IRs:

1. Please rerun and submit a revised version of the Smart Meter Model adjusting for the following two matters:
 - a) It appears the current (and recent models) calculate compounded interest on funding adder revenues. Please revise the model applying simple interest (i.e. interest on the opening monthly balance of the principal only) on funding adder revenues, and
 - b) Please revise the model to calculate simple interest expense on the opening monthly balance for OM&A and amortization expenses.
2. Please re-calculate the smart meter disposition rider using the following methodology that is based on the approach approved by the Board in PowerStream's 2010 smart meter application (EB-2010-0209):
 - (i) Allocate the total revenue requirement for the historical years using the following cost allocation methodology:
 - Allocate the return (deemed interest plus return on equity) and amortization based on the allocation of Account 1860 in the cost allocation model
 - Allocate the OM&A based on the number of meters installed for each class
 - Allocate PILs based on the revenue requirement allocated to each class before PILs
 - (ii) Calculate the percentages of costs allocated to customer rate classes.
 - (iii) Subtract the revenues generated from the smart meter funding adder from the overall revenue requirement.
 - (iv) Allocate the amount calculated in part (iii) by using the allocation factors derived in part (ii)
 - (v) To calculate the smart meter disposition rider, divide the allocated amount by rate class derived in part (iv) by the number of customers in each class.